

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 20-0299783**

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**IN RE: P-5 ORGANIZATION REPORT OF PETRO HALEY**

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**FINAL ORDER**

The Commission finds that after notice and an opportunity for hearing regarding the captioned matter, the Operator failed to request a hearing and pay the hearing fee as required by 16 TEX. ADMIN. CODE §3.15(g)(4) and TEX. NAT. RES. CODE §89.022(f). This matter having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following findings of fact and conclusions of law.

**FINDINGS OF FACT**

1. Petro Haley [Operator #660062] (the “Operator”), is the record operator or one or more inactive wells in the State of Texas and is required to file Organization Report (Form P-5) with the Commission. Operator’s most recent P-5 was due on or before October 1, 2015.
2. After filing its most recent Organization Report (Form P-5) with the Commission, the Operator was notified they were deficient and had failed to comply with the requirements of 16 TEX. ADMIN. CODE § 3.15 (Surface Equipment Removal Requirements and Inactive Wells) and provided with a written statement of the reasons for the determination and allowed ninety (90) days from the date its P-5 was due to comply with the requirements of 16 TEX. ADMIN. CODE § 3.15 and TEX. NAT. RES. CODE §§89.021 - 89.030.
3. After the expiration of ninety (90) days and pursuant to 16 TEX. ADMIN CODE §3.15(g)(4), an authorized Commission employee determined that the Operator’s Organization Report still could not be renewed because the Operator continued to fail to comply with the requirements of 16 TEX. ADMIN. CODE §3.15 (Surface Equipment Removal Requirements and Inactive Wells).
4. The Commission sent the Operator a letter by certified mail giving notice to the Operator of the determination of continued non-compliance regarding specified inactive wells, attached as Exhibit A to this order, and advising the Operator of the right to request a hearing to show compliance. The letter notified the Operator that the hearing request must be received in docket services no later than 30 days after the date of the letter. The letter also notified the Operator that a final order denying renewal of the Operator’s Organization Report (Form P-5) would result in the cancellation of all P-4 Certificates of Compliance and the severance of all pipeline or other carrier connections.

5. All notices and letters from the Commission to the Operator on this matter were addressed and mailed to the Operator's most recently reported address on the Form P-5 Organization Report.
6. The Operator did not timely request a hearing and pay the hearing fee on these issues as required under 16 TEX. ADMIN. CODE §3.15(g)(4) (Surface Equipment Removal Requirements and Inactive Wells).
7. Statewide Rule 15 (16 TEX. ADMIN. CODE §3.15) is a Commission rule that relates to safety or the prevention or control of pollution.

### CONCLUSIONS OF LAW

1. The Operator received proper notice and an opportunity for hearing regarding compliance with 16 Tex. Admin. Code §3.15 and Tex. Nat. Res. Code §§89.021 - 89.030.
2. All things necessary to the Commission attaining jurisdiction over the subject matter and the parties in this matter have been performed or have occurred.
3. The Operator is in violation of Commission Statewide Rule 15 and did not timely request a hearing to contest the determination that it was in violation.
4. The Operator's P-5 Organization Report should not be renewed and all of the Operator's P-4 Certificates of Compliance should be cancelled, with all related pipeline or other carrier connections severed. 16 Tex. Admin. Code §3.15 (g)(4) and Tex. Nat. Res. Code §§89.022(f), 91.704 - 91.706.
5. The Operator's P-5 Organization Report cannot be renewed until the operator brings the inactive wells shown on the attached Exhibit A into compliance with the requirements of 16 Tex. Admin. Code §3.15 and Tex. Nat. Res. Code §§89.021 - 89.030.

**IT IS ORDERED** that renewal of Petro Haley's P-5 Organization Report is hereby **DENIED**.

**It is further ORDERED** that all P-4 Certificates of Compliance issued to Petro Haley as operator of record are hereby **CANCELLED** and all related pipeline or other carrier connections are hereby **SEVERED**.

**It is further ORDERED** that Petro Haley shall bring the wells on Exhibit A into compliance with Statewide Rule 15 (16 TEX. ADMIN. CODE §3.15) and that the Operator's P-5 Organization Report shall not be renewed until the wells on Exhibit A have been brought into compliance as required by this order.

**It is further ORDERED** that Petro Haley and each person who held a position of ownership or control in the Operator at the time the Operator's most-recent P-5 Organization Report was filed shall be subject to the terms of TEX. NAT. RES. CODE §91.114.

**It is further ORDERED** by the Commission that this order shall not be final and effective until 25 days after the Commission's Order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 90 days from the date the Commission Order is signed.

All requested Findings of Fact and Conclusions of Law which are not expressly adopted herein are **DENIED**. All pending motions and request for relief not previously granted or granted herein are **DENIED**.

**RAILROAD COMMISSION OF TEXAS**

(Signatures affixed by Rule 15 Inactive Well  
Master Order dated March 8, 2016.)

API Number	District	ID Number	Lease Name	Well Number
179 30744	10	089319	SAVE	1
No approved W-3X on file				
179 30747	10	089318	SMITH	1
No approved W-3X on file				
179 30767	10	04567	EAKIN -A-	1
No approved W-3X on file				
179 30978	10	04567	EAKIN -A-	4
No approved W-3X on file				
179 30979	10	04567	EAKIN -A-	3
No approved W-3X on file				
179 31516	10	04567	EAKIN -A-	5W
No approved W-3X on file				
195 30997	10	124122	ALLAR	1
No approved W-3X on file				
233 30748	10	04665	THOMPSON	5B
No approved W-3X on file				
233 30785	10	04665	THOMPSON	4B
No approved W-3X on file				
Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
233 30863	10	04697	PERKINS ESTATE	1
No approved W-3X on file				
233 30881	10	142375	BO	1
No approved W-3X on file				
233 30886	10	04665	THOMPSON	1
No approved W-3X on file				
233 31025	10	04665	THOMPSON	2
No approved W-3X on file				
233 31046	10	04665	THOMPSON	3
No approved W-3X on file				
233 31466	10	05293	KIMBERLY	1
No approved W-3X on file				
233 31467	10	05293	KIMBERLY	3
No approved W-3X on file				
233 31518	10	109666	WISDOM	1102
No approved W-3X on file				
233 31522	10	109114	WISDOM	301
No approved W-3X on file				

Docket No. 20-0299783

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
233 31524 No approved W-3X on file	10	109116	WISDOM	303
233 31532 No approved W-3X on file	10	05293	KIMBERLY	8
233 31533 No approved W-3X on file	10	05293	KIMBERLY	10
233 31577 No approved W-3X on file	10	04665	THOMPSON	4
233 31637 No approved W-3X on file	10	110643	WISDOM	104
233 31640 No approved W-3X on file	10	111058	WISDOM	102
233 31642 No approved W-3X on file	10	111059	WISDOM	103
233 31776 No approved W-3X on file	10	04665	THOMPSON	6B
233 31959 No approved W-3X on file	10	04697	PERKINS ESTATE	3
233 83330 No approved W-3X on file	10	01209	WISDOM, BELLE	1
233 83331 No approved W-3X on file	10	01209	WISDOM, BELLE	2
233 83332 No approved W-3X on file	10	01209	WISDOM, BELLE	3
233 85514 No approved W-3X on file	10	03879	KARL	1
341 30001 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	10	03633	SNEED	1
341 30015 No approved W-3X on file	10	03633	SNEED	2
341 30018 No approved W-3X on file	10	03633	SNEED	3
341 30019 No approved W-3X on file	10	03633	SNEED	4
341 30024 No approved W-3X on file	10	03633	SNEED	5

Docket No. 20-0299783

# Exhibit A

API Number	District	ID Number	Lease Name	Well Number
341 30026	10	03633	SNEED	6
No approved W-3X on file				

INSUFFICIENT PROGRESS ON 10-YEAR INACTIVE WELLS: For wells shut-in at least 10 years as of September 1, 2010, operators were given five years to address the surface equipment removal requirements. For your Organization Report renewal on OCTOBER 1, 2015, Rule 15(i) requires that you be at least 100% complete with this process. Current W-3C records indicate that you have not met this requirement (85% of your phase-in wells show that you have completed the surface cleanup). Your Organization Report renewal cannot be approved until you have met this requirement and have filed the appropriate Commission forms to update our records.

Docket No. 20-0299783

**Exhibit A**